

# Financial Results for the Second Quarter Ended Sept. 30, 2011 (FY11)

October 28, 2011  
**OMRON Corporation**



# Contents

---

## **1. FY11 Q1-Q2 Results & Full-Year Forecast**

Summary	P. 2
FY11 Q1-Q2 Results	P. 5
FY11 Full-Year Forecast	P. 16
Updates on Thai Flood Impact	P. 26

## **2. VG2020 Focus**

Growth in Emerging Markets	P. 29
Foreign Exchanges Fluctuation Countermeasures	P. 34

## **3. References**

P. 36



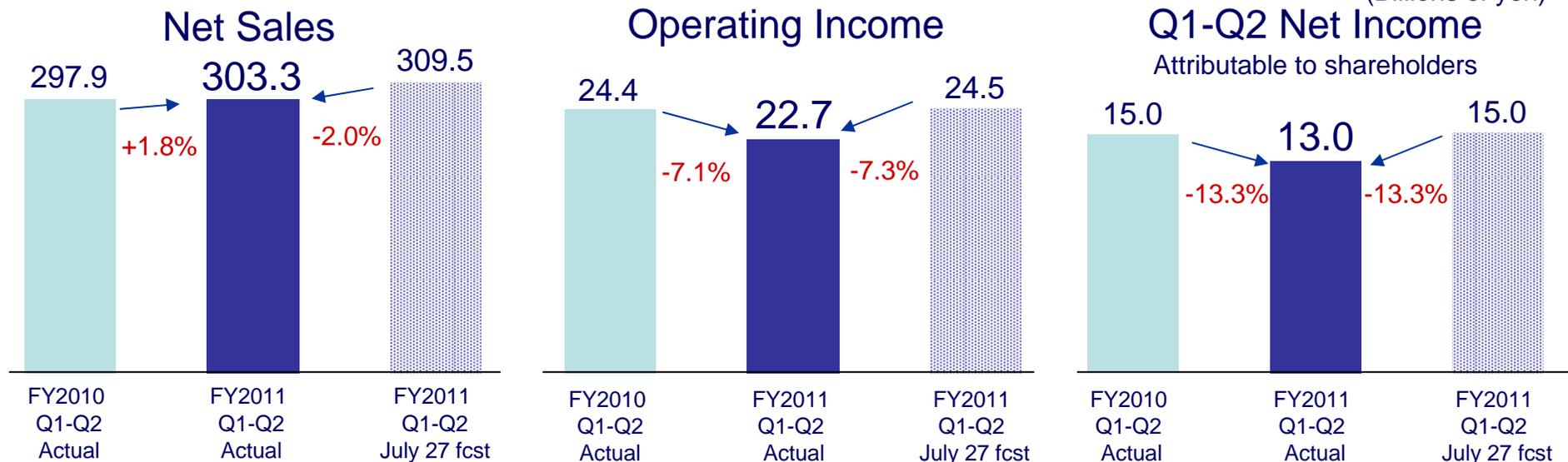
# Summary



# Q1-Q2 Results

- Omron marked ¥22.7 bn in operating income and ¥13.0 bn in net income despite a difficult business environment with fears over economic slowdown due to the 3.11 disaster, the soaring Yen, and global stock market plunge. Omron fulfilled its obligations as a supplier to minimize the 3.11 impact on customers and was highly commended for this.
- Year-on-year, the main Industrial Automation business posted a steady sales increase, while in Japan, Automotive Electronic Components, and Social Systems, Solutions & Services sales weakened due to the 3.11 disaster. Operating Income was hit by Yen appreciation and raw material price rises.
- Both sales and operating profits fell below the July 27 forecast.
- Exchange rates: 1 USD = ¥79.7; 1 EUR = ¥114.1 (FY10 Q1-Q2: 1 USD = ¥88.7; 1 EUR = ¥114.6)

(Billions of yen)

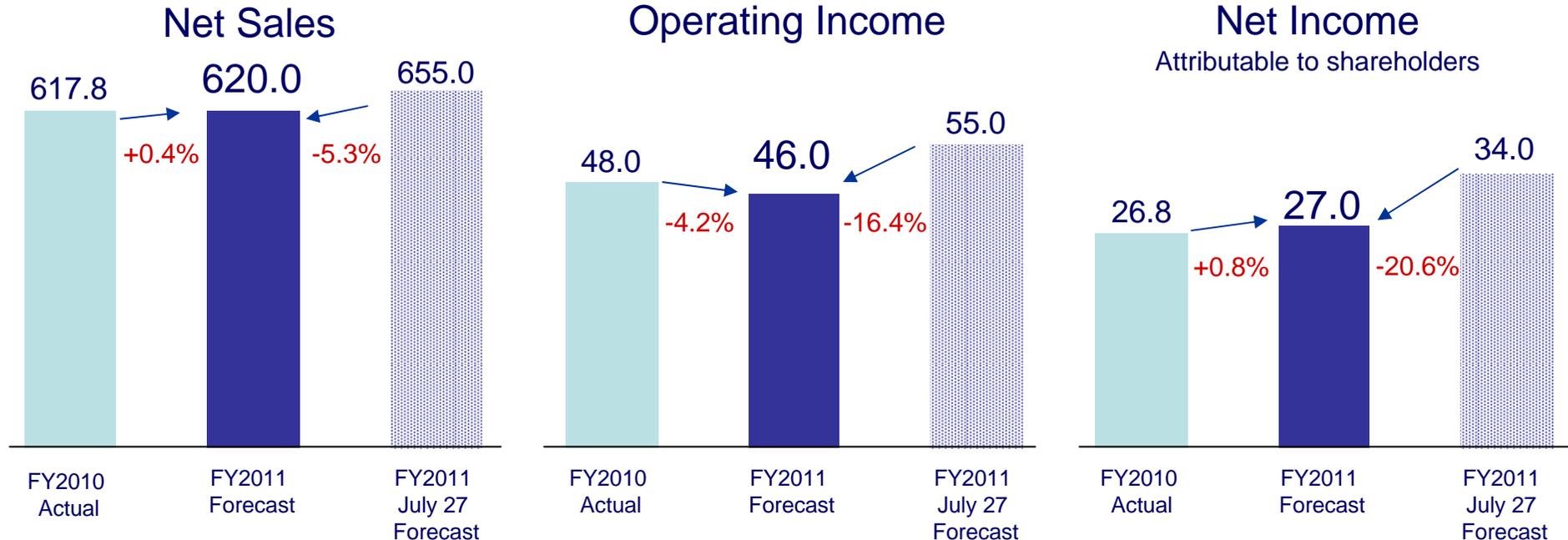




# Full-Year Forecast

- Downward revision to the July 27 forecast expecting stronger Yen and economic slowdown.
- Omron will work harder to cap ordinary cost efficiency while carrying out strategic investments for growth mapped out in VG2020.
- Assumed exchange rates for Q3-Q4: 1 USD = ¥76; 1 EUR = ¥103  
(Previous assumption: 1 USD = ¥80; 1 EUR = ¥113)

(Billions of yen)





# FY11 Q1-Q2 Results



# Consolidated P/L

- **Both sales and OP fell below July outlook. Sales went up YoY.  
(Sales up 5% and OP up 16% without forex and material costs impacts)**
- **Gross profit margin unchanged at 37.9% YoY.  
(1.2% pt improvement to 39.1% without forex and material costs impacts)**

(Billions of yen)

	FY2010 Q1-Q2	FY2011 Q1-Q2	YoY	July 27 Forecast	Actual vs. Forecast
Net Sales	297.9	303.3	+1.8%	309.5	-2.0%
Gross Profit (%)	112.9 (37.9%)	115.0 (37.9%)	+1.8% (0.0% pt)	119.0 (38.4%)	-3.4% (-0.5% pt)
SG&A	69.3	71.6	+3.3%	74.0	-3.3%
R&D	19.2	20.7	+8.0%	20.5	+1.0%
Operating Income (%)	24.4 (8.2%)	22.7 (7.5%)	-7.1% (-0.7% pt)	24.5 (7.9%)	-7.3% (-0.4% pt)
Non-operating Income (loss), net	0.9	1.6	+76.9%	0.5	+231.4%
NIBT	23.5	21.1	-10.4%	24.0	-12.2%
Net Income attributable to shareholders	15.0	13.0	-13.3%	15.0	-13.3%

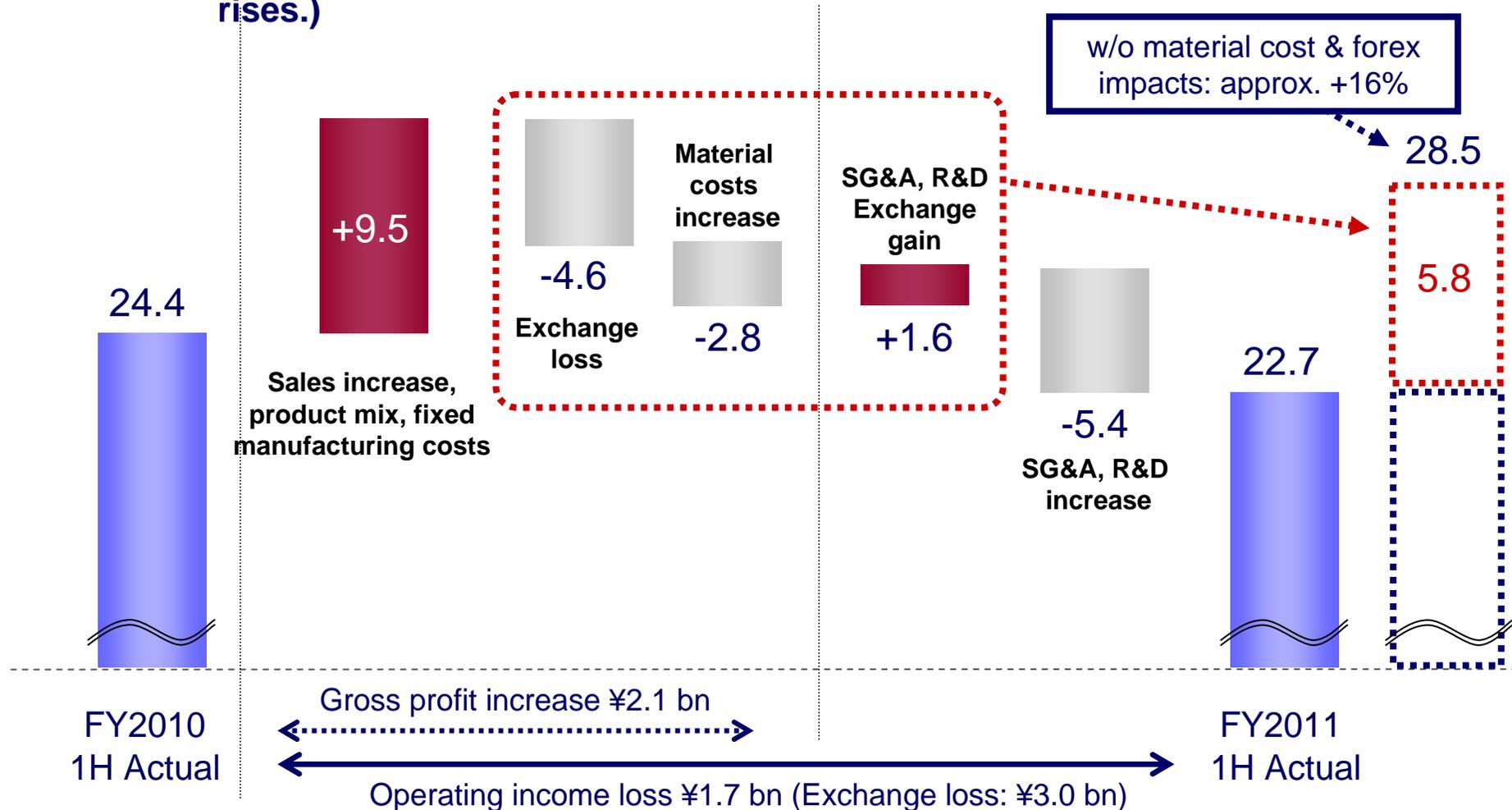
<Exchange Rates>

USD	88.7	79.7	-9.0	81.0	-1.3
EUR	114.6	114.1	-0.5	115.9	-1.8



# Operating Income Analysis (Year-on-year)

- Sales up. OP down ¥1.7 bn due to SG&A and R&D increase, exchange rates and increased material costs. (Up 16% without the ¥5.8 bn negative impact of Forex and material costs of exchange rates, material price rises.) (Billions of yen)

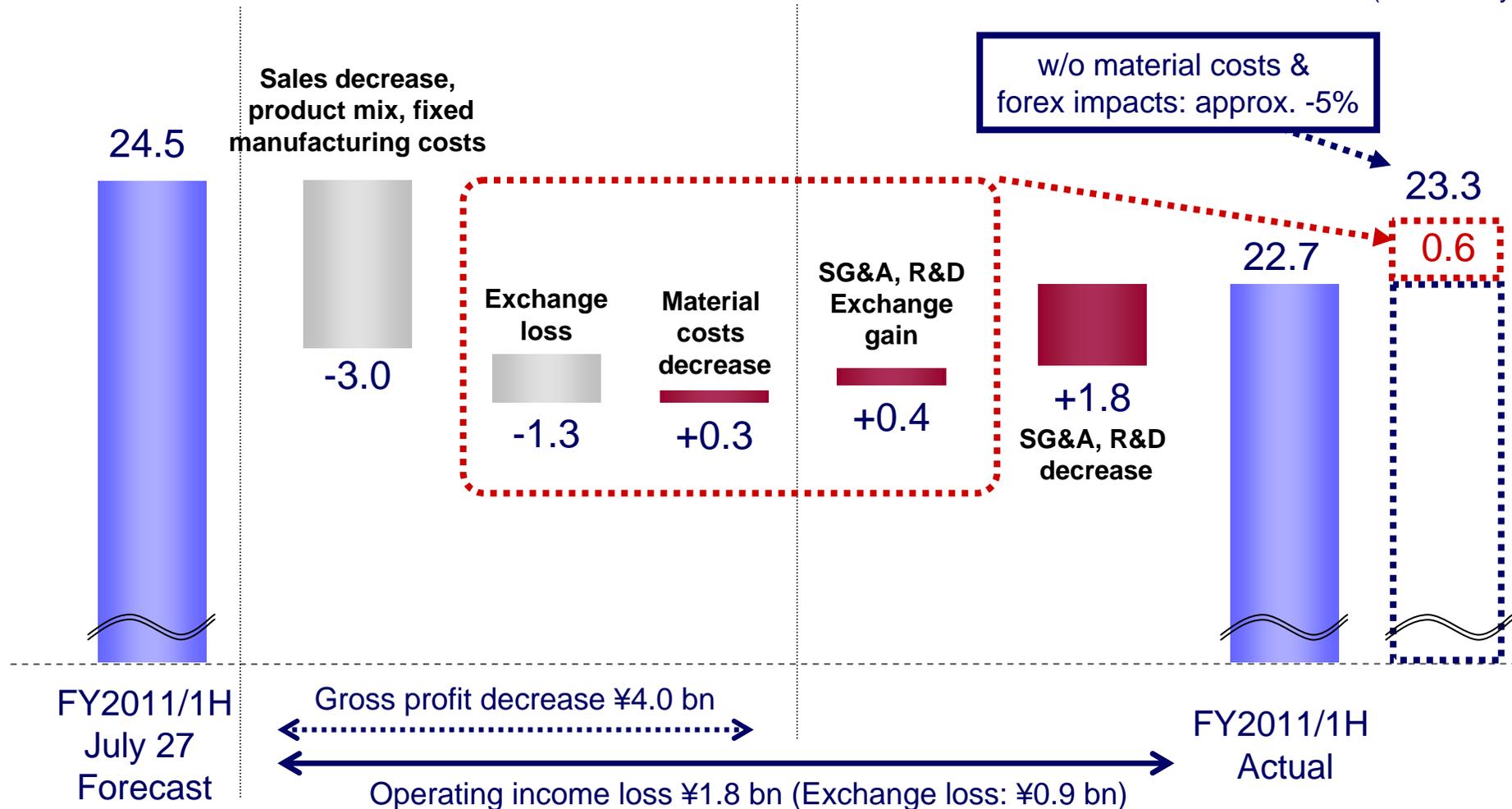




# Operating Income Analysis (vs. July forecast)

- Sales down. OP down ¥1.8 bn due to SG&A and R&D decrease, exchange rates and material costs. (Off by 5% without the ¥0.6 bn Forex and material costs impact)

(Billions of yen)





# Consolidated B/S

- Short-term debt for higher in-hand liquidity was repaid.
- Shareholders' equity ratio rose to 59.1% from 55.6% at FY10 yearend.

(Billions of yen)

	Mar. 31, 2011	Sept. 30, 2011	(Ref. Sept. 30, 2010)
<b>Assets</b>	562.8	519.2	523.1
Cash and cash equivalents	74.7	45.2	54.6
Notes and accounts receivable - trade	135.3	117.1	119.3
Inventories	86.2	99.2	88.4
Deferred income taxes, other current assets	31.7	30.0	26.6
Property, plant and equipment	120.0	115.6	117.8
Investments and other assets	114.9	112.1	116.4
<b>Liabilities</b>	249.1	211.2	219.3
Short-term debt	45.5	15.4	28.7
Long-term debt	0.8	0.0	0.9
Notes and accounts payable - trade	77.8	76.7	74.6
Termination and retirement benefits	65.5	62.3	63.7
Other liabilities	59.5	56.8	51.4
<b>Net Assets</b>	313.7	308.0	303.8
Common stock and retained earnings	423.6	433.5	415.3
Accumulated other comprehensive income (loss)	-66.2	-81.8	-68.0
Treasury stock	-44.6	-44.6	-44.5
Non controlling interests	0.9	0.9	1.0
<b>Total Liabilities and Shareholders' Equity</b>	562.8	519.2	523.1



# Consolidated Cash Flows

- **FCF down YoY due to profit decrease and active capital investment.**
- **Financing CF down due to debt payment. Cash down as a result.**

(Billions of yen)

	FY2010 Q1-Q2	FY2011 Q1-Q2	(Ref. FY2010)
Operating activities	23.5	18.4	42.0
Investing activities	-8.0	-11.6	-20.2
Free cash flow	15.5	6.8	21.8
Financing activities	-10.4	-33.6	3.3
Effect of exchange rate changes on cash and cash equivalents	-2.2	-2.7	-2.1
Net increase/decrease in cash and cash equivalents	2.9	-29.5	23.0
Cash and cash equivalents at end of the period	54.6	45.2	74.7
Capital expenditures	8.6	12.8	23.2
Depreciation and amortization	11.8	10.7	23.0

\*Q1-Q2 Capital investment is represented as capital expenditures on the consolidated cash flow statement.



# Net Sales by Segment

- **YoY: IAB, EMC and HCB posted increase. AEC and SSB were down due to the 3.11 catastrophe.**
- **Vs. July forecast: HCB almost as forecasted. Other segments off 2-3%.**

(Billions of yen)

	FY2010 Q1-Q2	FY2011 Q1-Q2	YoY	July 27 forecast	Actual vs. forecast
Industrial Automation (IAB)	136.3	143.1	+5.0%	146.5	-2.3%
Electronic & Mechanical Components (EMC)	40.2	40.8	+1.4%	42.0	-2.9%
Automotive Electronic Components (AEC)	42.6	40.1	-6.0%	41.0	-2.3%
Social Systems, Solutions & Service (SSB)	22.5	20.4	-8.8%	21.0	-2.9%
Healthcare (HCB)	29.1	29.4	+0.8%	29.5	-0.5%
Other	24.3	26.2	+7.8%	26.6	-1.6%
Eliminations & Corporate	2.9	3.3	+10.5%	2.9	+15.0%
<b>Total</b>	<b>297.9</b>	<b>303.3</b>	<b>+1.8%</b>	<b>309.5</b>	<b>-2.0%</b>



# Operating Income by Segment

- **YoY: IAB up. Other segments down.**
- **Vs. July forecast: SSB and HCB as expected. Other segments fell short.**

(Billions of yen)

	FY2010 Q1-Q2	FY2011 Q1-Q2	YoY	July 27 forecast	Actual vs. forecast
Industrial Automation (IAB)	20.7 (15.2%)	21.4 (15.0%)	+3.6% (-0.2% pt)	23.0 (15.7%)	-6.9% (-0.7% pt)
Electronic & Mechanical Components (EMC)	6.6 (16.4%)	4.2 (10.2%)	-36.9% (-6.2% pt)	5.5 (13.1%)	-24.5% (-2.9% pt)
Automotive Electronic Components (AEC)	2.6 (6.0%)	1.4 (3.6%)	-44.1% (-2.4% pt)	1.5 (3.7%)	-4.7% (-0.1% pt)
Social Systems, Solutions & Service (SSB)	-2.3 (-)	-3.5 (-)	- (-)	-3.5 (-)	- (-)
Healthcare (HCB)	2.3 (7.9%)	2.1 (7.0%)	-10.1% (-0.9% pt)	2.0 (6.8%)	+3.5% (+0.3% pt)
Other	-2.6	-2.0	-	-2.5	-
Eliminations & Corporate	-2.8	-0.8	-	-1.5	-
<b>Total</b>	<b>24.4</b> (8.2%)	<b>22.7</b> (7.5%)	<b>-7.1%</b> (-0.7% pt)	<b>24.5</b> (7.9%)	<b>-7.3%</b> (-0.4% pt)

(%): Operating income/External sales



# Performance by Segment

Segment	Net Sales & Operating Income	
<b>IAB</b>	Net Sales	Japan: Worked hardest on parts procurement to fulfill responsibilities as a supplier. Solid sales in the automotive and machine tool industries. Overseas: Enjoying China's demand increase. Europe, North America and Asia favorable as well.
	Operating Income	Up due to sales increase YoY.
<b>EMC</b>	Net Sales	Japan: Large drop in Q1. Automotive and amusement showing recovery after July. Slow due to drop in demand for automotive relays and switches. Overseas: Favorable, especially China and other emerging markets.
	Operating Income	Down due to raw material price rises YoY.
<b>AEC</b>	Net Sales	Japan: Seeing recovery but still slow due to domestic car makers' production cutback after 3.11. Overseas: Solid in emerging markets. In North America, some Japanese makers went sluggish.
	Operating Income	Down YoY due to sales decrease and 3.11 disaster.
<b>SSB</b>	Net Sales	Delivery and related installation of equipment that had been on hold from FY10 restarted. But customers' investment slow due to 3.11 disaster.
	Operating Income	Down YoY due to sales drop.
<b>HCB</b>	Net Sales	Japan: Consumers products weak led by 3.11 disaster; Medical equipment solid. Overseas: Solid thanks to rising awareness of health management in China, Southeast Asia, Middle East and Latin America.
	Operating Income	Down due to forex YoY.
<b>Other</b>	Net Sales	Backlight and Electronic Systems & Equipments Businesses went strong.
	Operating Income	Up due to sales increase YoY.



# Net Sales & Operating Income by Area, in JPY

- Sales down YoY in Japan. "Greater China" and "Asia Pacific and Others" enjoyed significant growth.

(Billions of yen)

	FY2010 Q1-Q2		FY2011 Q1-Q2		YoY	
	Net Sales	Oper. Income	Net Sales	Oper. Income	Net Sales	Oper. Income
Japan	146.5	14.0 (9.6%)	140.4	10.3 (7.3%)	-4.2%	-26.5% (-2.2% pt)
Americas	37.1	1.3 (3.5%)	35.8	1.4 (4.0%)	-3.4%	+8.7% (+0.4% pt)
Europe	40.7	1.7 (4.1%)	43.7	2.2 (5.0%)	+7.4%	+31.4% (+0.9% pt)
Greater China	48.6	6.6 (13.5%)	55.0	6.6 (12.1%)	+13.2%	+1.4% (-1.4% pt)
Asia Pacific and Others	25.0	3.3 (13.1%)	28.3	3.3 (11.7%)	+13.2%	+1.4% (-1.4% pt)
Eliminations & Corporate	-	-2.4	-	-1.2	-	-
Total	297.9	24.4 (8.2%)	303.3	22.7 (7.5%)	+1.8%	-7.1% (-0.7% pt)

(%): Operating income/External sales



# Net Sales & Operating Income by Area, in Local Currencies

- In local currencies, all areas abroad posted growth in sales and OP, especially "Greater China" and "Asia Pacific and Others".

(Billions of yen, other currencies in millions)

	FY2010 Q1-Q2		FY2011 Q1-Q2		YoY	
	Net Sales	Oper. Income (%)	Net Sales	Oper. Income (%)	Net Sales	Oper. Income (pt)
Japan (JPY)	146.5	14.0 (9.6%)	140.4	10.3 (7.3%)	-4.2%	-26.5% (-2.2% pt)
Americas (USD)	418	15 (3.5%)	449	18 (4.0%)	+7.4%	+20.9% (+0.4% pt)
Europe (EUR)	355	15 (4.1%)	383	19 (5.0%)	+7.8%	+31.9% (+0.9% pt)
Greater China (CNY)	3,718	501 (13.5%)	4,461	539 (12.1%)	+20.0%	+7.5% (-1.4% pt)
Asia Pacific and Others (SGD)	387	51 (13.1%)	439	51 (11.7%)	+13.3%	+1.5% (-1.4% pt)

### Average Exchange Rates for the Fiscal Year (JPY)

USD	88.7	79.7	-9.0
EUR	114.6	114.1	-0.5
CNY	13.1	12.3	-0.7
SGD	64.5	64.4	-0.1

(%): Operating income/External sales. Average exchange rates for FY10 and FY11 applied.



# FY11 Full-Year Forecast



# Q3-Q4 Conditions

## ◆ Forecasted external environment

- JPY remains high amid EU financial uncertainty
- Economic Climate by Area:
  - Japan: the 3.11 impact will be over, but the economy is unlikely to fully turn around earlier than FY12.
  - Overseas:
    - Developed countries (US, EU): Concern over stagnant economy
    - China: Stronger fear of slowdown due to tight monetary policy
    - Emerging markets: Expecting increase in consumer spending and capital investments thanks to solid economic growth
  - Raw material prices (silver and copper): Stable

## ◆ Assumed exchange rates & raw material costs

**1 USD = ¥76; 1 EUR = ¥103**

(Previous assumption: 1 USD = ¥80  
1 EUR = ¥113)

- ¥1 fluctuation impact (full-year, approx)

	Sales	OP
USD	¥2.5 bn	¥0.9 bn
EUR	¥0.8 bn	¥0.4 bn

**Silver: ¥80,000/kg; Copper: ¥600/kg**

(Previous assumption: Silver: ¥98,000/kg  
Copper: ¥820/kg)

- Price change impact (full-year, approx)

	Price change	OP
Silver	¥1,000/kg	¥0.1 bn
Copper	¥100/kg	¥1.0 bn



# FY11 Full-Year Forecast

- Year on year, sales flat. OP down.
- Omron will work harder to cap ordinary costs while carrying out strategic investments for growth mapped out in VG2020. (Without forex and material costs impacts, up 4% in sales and 21% in OP.)
- Gross profit margin up 0.4% pt YoY.

(Billions of yen)

	FY2010 Actual	FY2011 Forecast	YoY	July 27 Forecast	vs. July 27 Forecast
Net Sales	617.8	620.0	+0.4%	655.0	-5.3%
Gross Profit (%)	231.7 (37.5%)	235.0 (37.9%)	+1.4% (+0.4% pt)	253.5 (38.7%)	-7.3% (-0.8% pt)
SG&A	142.4	146.0	+2.6%	152.5	-4.3%
R&D	41.3	43.0	+4.1%	46.0	-6.5%
Operating Income (%)	48.0 (7.8%)	46.0 (7.4%)	-4.2% (-0.4% pt)	55.0 (8.4%)	-16.4% (-1.0% pt)
Non-operating Income (loss), net	(6.3)	(3.0)	-52.7%	1.5	+100.7%
NIBT	41.7	43.0	+3.1%	53.5	-19.6%
Net Income attributable to shareholders	26.8	27.0	+0.8%	34.0	-20.6%
EPS (JPY)	121.66	122.68	+0.8%	154.48	-20.6%
ROE (%)	8.7	8.6	-0.1% pt	10.4	-1.8% pt
<b>&lt;Exchange Rates&gt;</b>					
USD	85.8	78.0	-7.8	80.5	-2.5
EUR	113.5	109.0	-4.5	114.6	-5.6



# Sales Forecast by Segment

Segment	Q3-Q4 Sales Forecast, vs. July 27 Forecast
IAB	<ul style="list-style-type: none"><li>• Japan: Down as order adjustments seen in Q2 continue Q3 and after.</li><li>• Overseas: Down due to strong JPY and Chinese economy slowdown.</li></ul>
EMC	<ul style="list-style-type: none"><li>• Japan: Down as demand for home appliances which was once up amid restoration declines.</li><li>• Overseas: Down due to strong JPY.</li></ul>
AEC	<ul style="list-style-type: none"><li>• Japan: Up with accelerating 3.11 restoration.</li><li>• Overseas: Down due to the Thai flood and strong JPY.</li></ul>
SSB	<ul style="list-style-type: none"><li>• Down due to restrained investment of railway companies and other customers.</li></ul>
HCB	<ul style="list-style-type: none"><li>• Japan: Up as once-declining demand after 3.11 picks up again.</li><li>• Overseas: Down due to strong JPY.</li></ul>
Other	<ul style="list-style-type: none"><li>• Down due to forex impacts on Backlight Business and sluggish foundry demand for Micro Devices Business.</li></ul>



# Full-Year Net Sales Forecast by Segment

- All segments to come short of July forecast.
- Year on year, sales up except for AEC and SSB.

(Billions of yen)

	FY2010	FY2011 Forecast	YoY	July 27 Forecast	vs. July 27 forecast
Industrial Automation (IAB)	271.9	278.0	+2.2%	302.0	-7.9%
Electronic & Mechanical Components (EMC)	81.2	82.5	+1.6%	85.5	-3.5%
Automotive Electronic Components (AEC)	84.3	82.0	-2.7%	84.5	-3.0%
Social Systems, Solutions & Service (SSB)	63.8	59.0	-7.6%	60.0	-1.7%
Healthcare (HCB)	60.6	61.5	+1.4%	62.5	-1.6%
Other	49.7	51.0	+2.7%	54.0	-5.6%
Eliminations & Corporate	6.3	6.0	-4.9%	6.5	-7.7%
<b>Total</b>	<b>617.8</b>	<b>620.0</b>	<b>+0.4%</b>	<b>655.0</b>	<b>-5.3%</b>



# Full-Year Operating Income Forecast by Segment

- **SSB and HCB in line with July forecast.**
- **IAB, EMC and AEC down due to exchange rate impact.**

(Billions of yen)

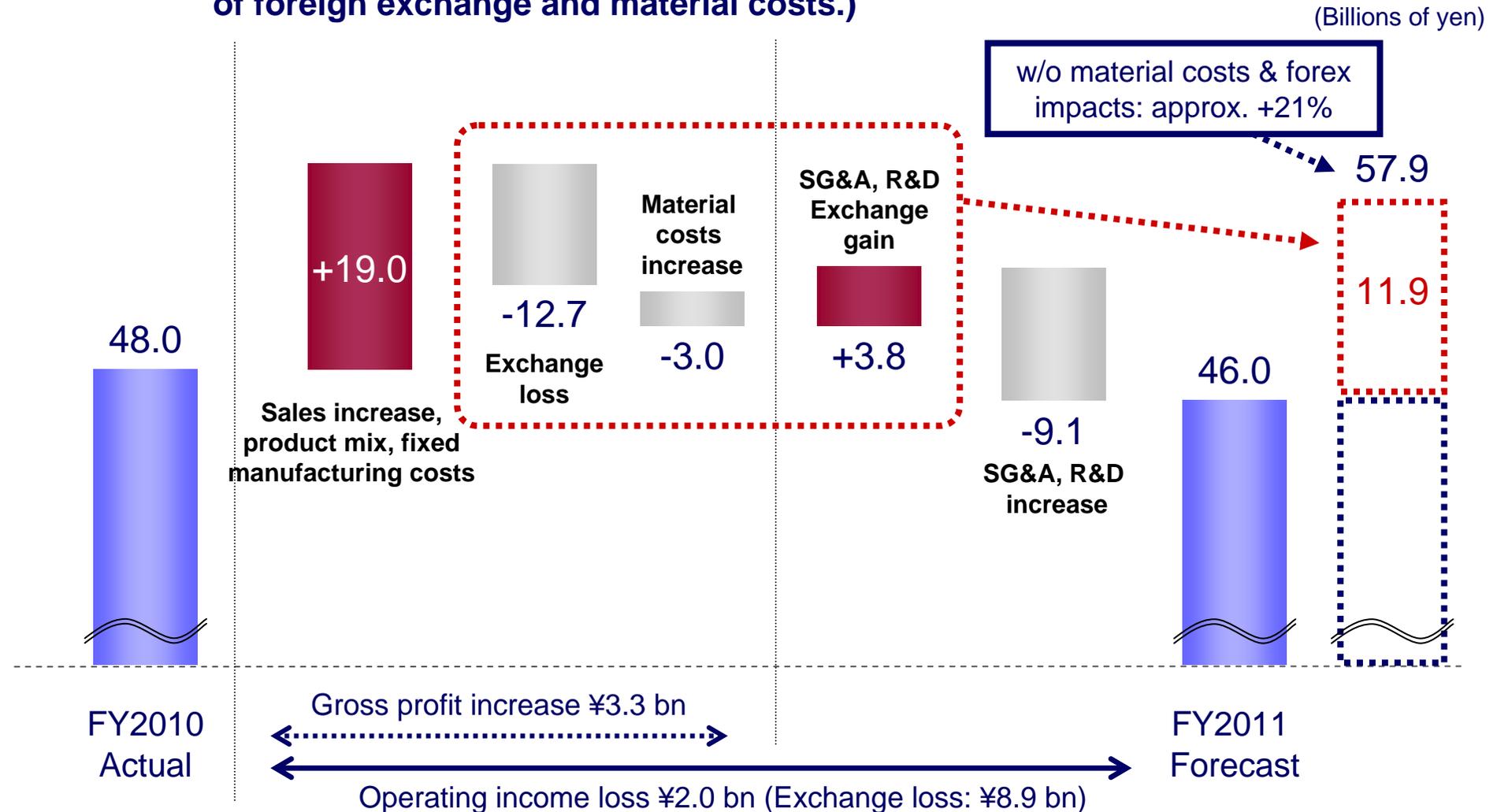
	FY2010	FY2011 Forecast	YoY	July 27 Forecast	vs. July 27 Forecast
Industrial Automation (IAB)	38.2 (14.1%)	37.0 (13.3%)	-3.2% (-0.8% pt)	46.0 (15.2%)	-19.6% (-1.9% pt)
Electronic & Mechanical Components (EMC)	11.9 (14.7%)	10.5 (12.7%)	-11.9% (-1.9% pt)	12.5 (14.6%)	-16.0% (-1.9% pt)
Automotive Electronic Components (AEC)	4.2 (4.9%)	3.0 (3.7%)	-27.9% (-1.3% pt)	3.5 (4.1%)	-14.3% (-0.5% pt)
Social Systems, Solutions & Service (SSB)	1.7 (2.6%)	0 (-)	- (-)	0 (-)	- (-)
Healthcare (HCB)	4.1 (6.7%)	3.0 (4.9%)	-26.4% (-1.8% pt)	3.0 (4.8%)	0.0% (+0.1% pt)
Other	-4.7	-4.5	-	-3.5	-
Eliminations & Corporate	-7.3	-3.0	-	-6.5	-
<b>Total</b>	<b>48.0</b> (7.8%)	<b>46.0</b> (7.4%)	<b>-4.2%</b> (-0.4% pt)	<b>55.0</b> (8.4%)	<b>-16.4%</b> (-1.0% pt)

(%): Operating income/External sales



# Full-Year Operating Income Analysis (Year-on-year)

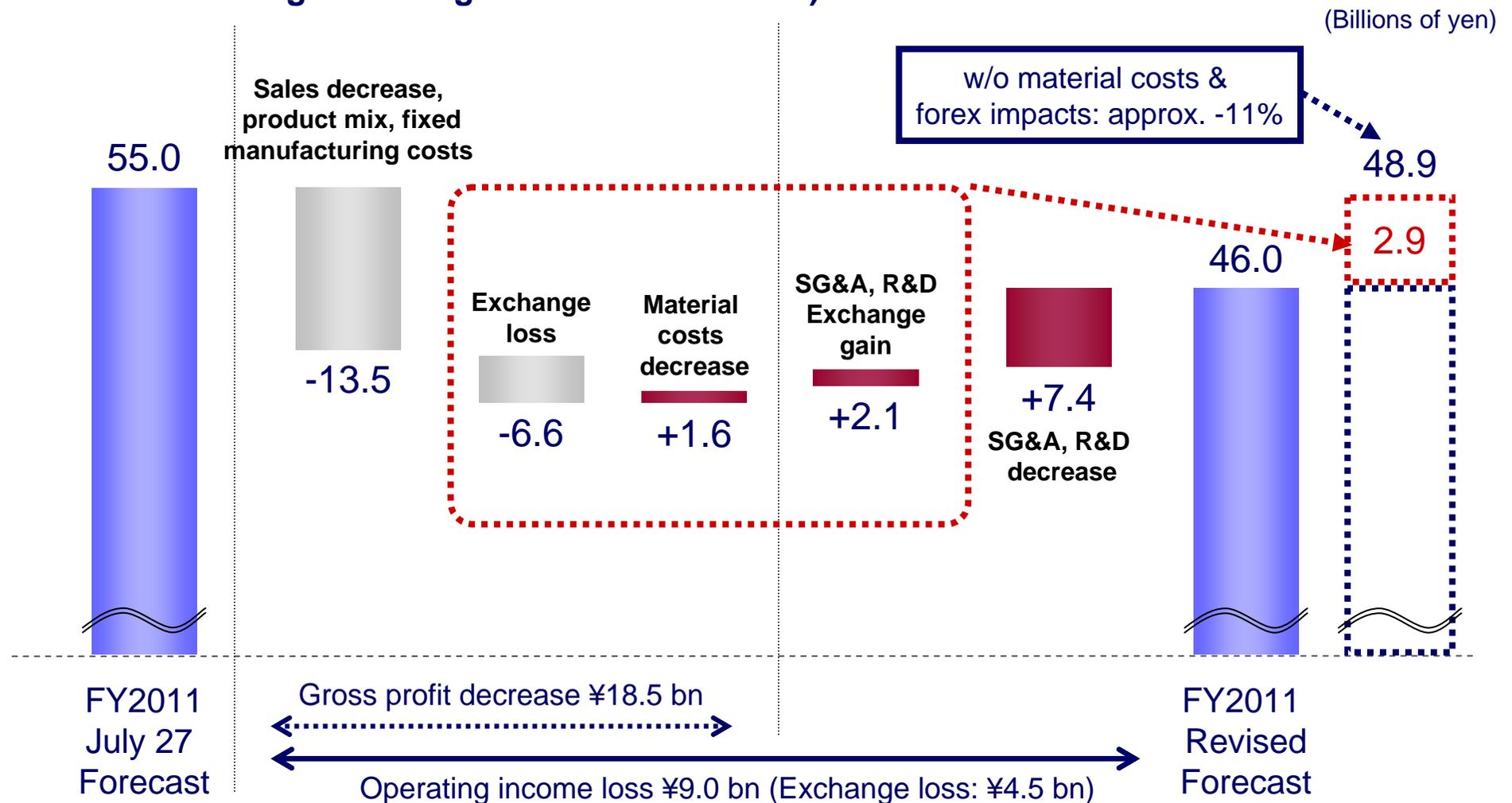
- Sales up. OP down ¥2.0 bn due to SG&A and R&D increase, foreign exchange and material costs. (Up 21% without ¥11.9 bn negative impacts of foreign exchange and material costs.)





# Full-Year Operating Income Analysis (vs. July Forecast)

- Sales down. OP down ¥9.0 bn due to SG&A and R&D decrease, foreign exchange and material costs. (Off by 11% without ¥2.9 bn impacts of foreign exchange and material costs.)





# Sales Forecast by Area in JPY

- "Asia Pacific and Others" and "Greater China" up YoY.

(Billions of yen)

	FY2010	FY2011 (Forecast)	YoY
Japan	300.5	292.5	-2.7%
Americas	74.4	72.5	-2.5%
Europe	84.5	84.5	-0.0%
Asia Pacific and Others	50.0	55.0	+10.0%
Greater China	97.0	103.5	+6.7%
Direct Exports	11.4	12.0	+5.2%
Total	617.8	620.0	+0.4%



# Sales Forecast by Area in Local Currencies

- In local currencies, all areas abroad up YoY in sales and OP, especially “Greater China” and “Asia Pacific and Others.”

(Billions of yen, other currencies in millions)

	FY2010	FY2011 (Forecast)	YoY
Japan (JPY)	300.5	292.5	-2.7%
Americas (USD)	867	929	+7.2%
Europe (EUR)	744	775	+4.2%
Asia Pacific and Others (SGD)	778	859	+10.4%
Greater China (CNY)	7,585	8,596	+13.3%

## Average Exchange Rates for the Fiscal Year (JPY)

USD	85.8	78.0	-7.8
EUR	113.5	109.0	-4.5
CNY	12.8	12.0	-0.8
SGD	64.3	64.0	-0.3

\*Average exchange rates for FY10 and FY11 applied.



# Updates on Thai Flood Impact

- Production base of Omron Automotive Electronics has been hit by the flood in Thailand. No staff injured. Restoration of the facility will take about 6 months.
- In order to fulfill its obligation as a supplier, Omron started some of the production in Japan.
- Negative impacts are estimated at ¥850 mil in sales and ¥150 mil in OP this fiscal year.
- Omron is currently evaluating the expected impact of Thai customers and procurement of electronic components on the entire Company.

Company Name	Omron Automotive Electronics Co., Ltd. (Thailand)
Location	Rojana Industrial Park, Ayutthaya, Thailand
Business	Production and sales of electronic components for automobiles
Capital	¥350 mil
Net Sales	¥3.0 bn (FY2010)





# VG2020 Focus



# VG2020 “Globe Stage” Tasks

1. Reinforcement of Industrial Automation (IA) Business (IAB & EMC)
2. Sales expansion in emerging markets
3. Focus on environmental solutions business
4. Profit structure reform
5. Strengthening global human resources



# **VG2020 Focus**

## **Growth in Emerging Markets**



# Reinforcement of IA in Emerging Markets

Eyeing sales growth of over 20% a year, higher than the market growth, by best meeting their demands.

## Market Demand

Consistent quality, low price

Shift to automation  
to address higher labor costs

Quick response to customers



## Measures

Provide an overwhelming product range  
offering optimum specs and costs



Stronger sales network  
(e.g. Sales bases in China: 32 → 52)





Further efforts to strengthen sales & marketing channels in emerging markets (India, Brazil)

◆ **FY2011 Goal (Year-on-year increase)**

	IAB number of distribution channels	HCB number of stores
India	114 (up 50%)	10,000 (up 33%)
Brazil	151 (up 42%)	9,750 (up 50%)



# Measures for Growth in India and Brazil

## Enhancement of brand awareness

- Boosting local brand awareness through healthcare business.
- Establishment of “Omron” image also associated with IA after swiftly raising brand recognition.



Outdoor Ads (Delhi, Mumbai, Bangalore, São Paulo)



Trade Shows (Delhi, Mumbai, Bangalore)



Sponsors to Marathons (Delhi, Mumbai, Bangalore)



Billboard at Airport (São Paulo)

Others: TV ads,  
newspaper/  
magazine ads  
and more



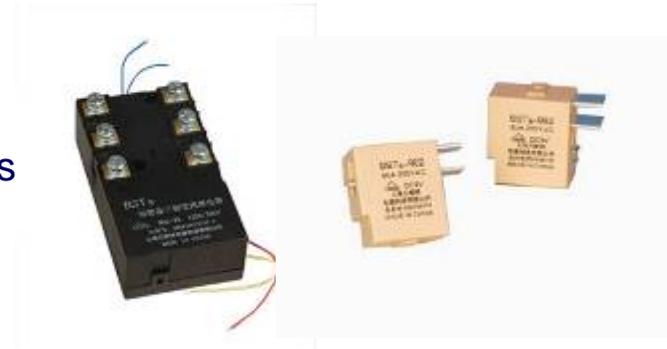
# M&A in Emerging Markets

**Omron acquired a Chinese power latching relay manufacturer to expand and strengthen Omron's relay business** (Announced Sept. 9, 2011)

Company Name	Shanghai Best Electrical Appliance Manufacturing Co., Ltd.
Business	Development, manufacture and marketing of power latching relays
Representative	YANG Zheng, President and General Manager
Capital	RMB 32,633,000
Established	1994
Location	Wudong Road, Shanghai
Employees	250
Sales Revenue	RMB 79,285,000 (Year ended March 31, 2010)

## Power latching relays for smart meters

- In the smart grids market, smart meters will become a mainstay device as an interface for connecting power grids with commercial buildings or individual homes.
- Load switching units for directly controlling the supply of power to smart meters employ power latching relays.





# **VG2020 Focus**

## **Foreign Exchanges Fluctuation Countermeasure**



# Measures to Minimize Forex Impacts

- Increase transaction in foreign currencies, to cut impacts of forex (USD) fluctuation by half or more.

## <Short-Term Measures>

1. Domestic purchase from global suppliers:  
Payment from JPY to USD
2. Global purchase: Payment from JPY to USD
3. Domestic expenses transaction: in USD

## <Midterm Measures>

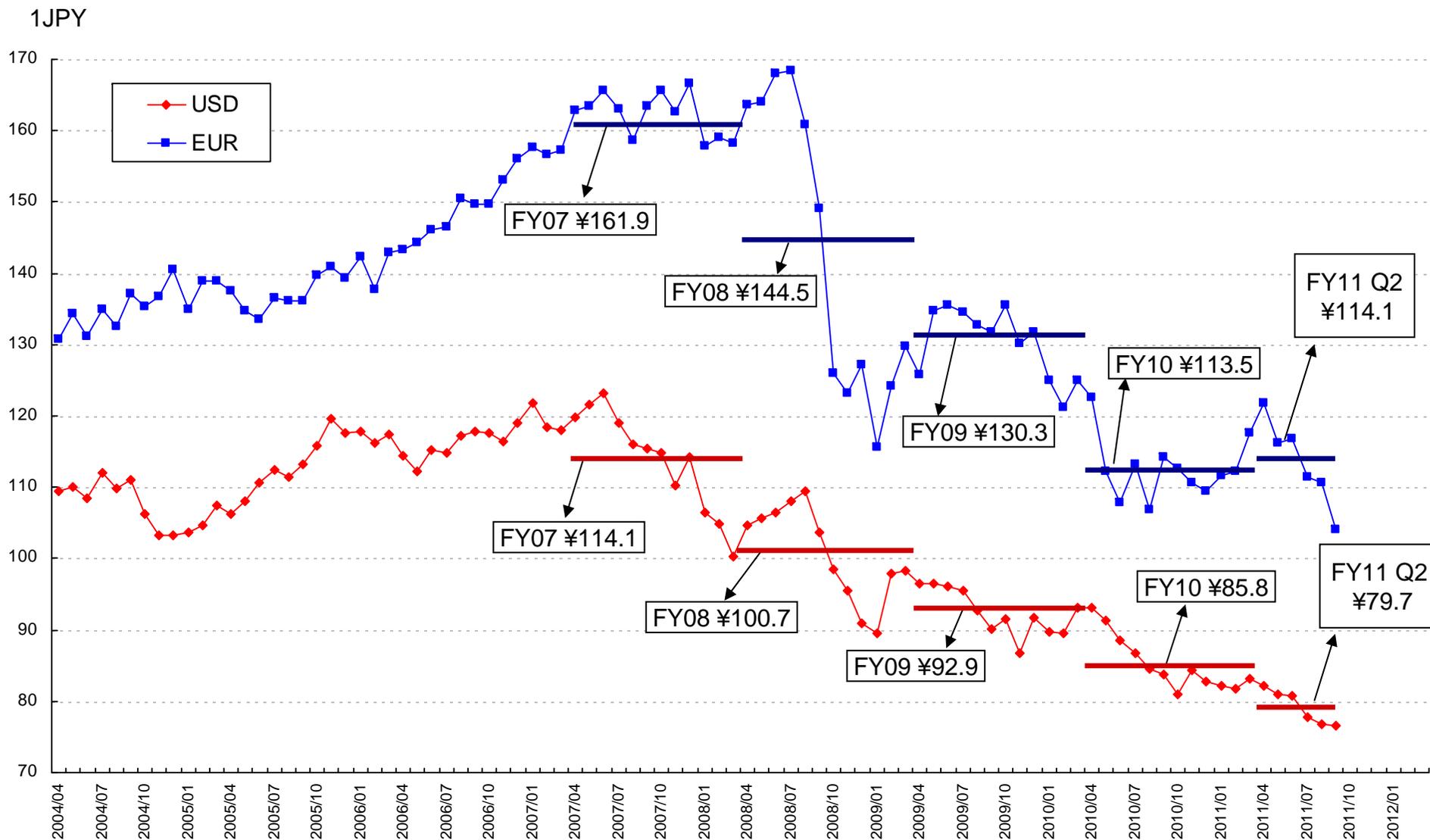
1. Promoting local procurement with expansion of overseas production
2. Shifting fixed costs by production transfer to overseas



# References

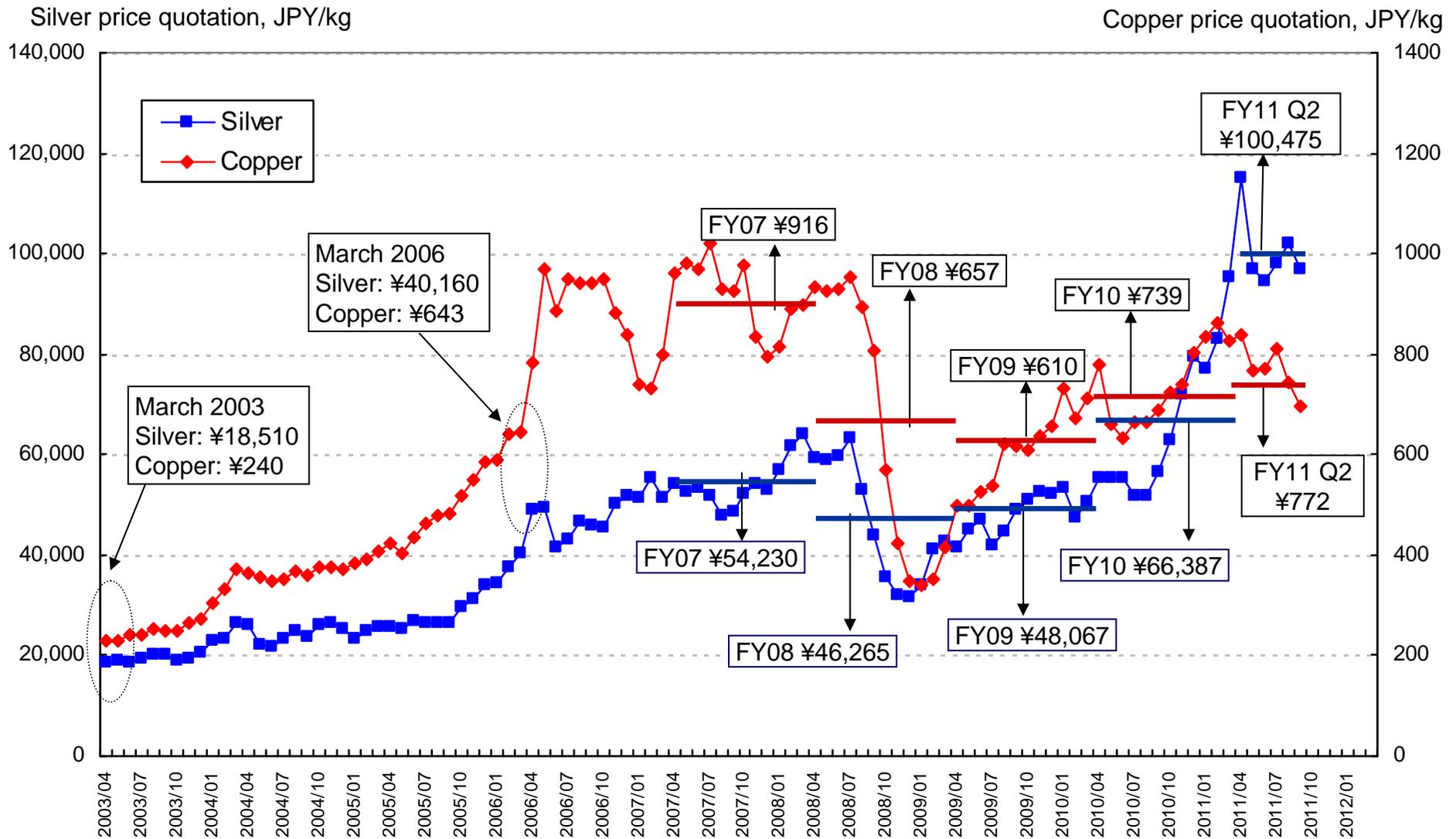


# Exchange Rates (USD, EUR)





# Raw Material Prices (Silver, Copper)



\*Monthly simple moving average (SMA) of price quotations.



# Businesses and Major Products

LCD backlights, semiconductors/MEMS,  
energy saving / environmental solutions business,  
electronic systems and equipment

- *Electronic signal sensing*
- *Electrical current/voltage control*

- *Automotive electronics*
- *Radio wave sensing*

Relays, switches, connectors,  
amusement equipment parts,  
mobile device parts

Keyless entry systems,  
power window switches,  
automotive relays, EPS  
(electronic power steering)

- *Human sensing*
- *Traffic sensing*
- *IC card technology*

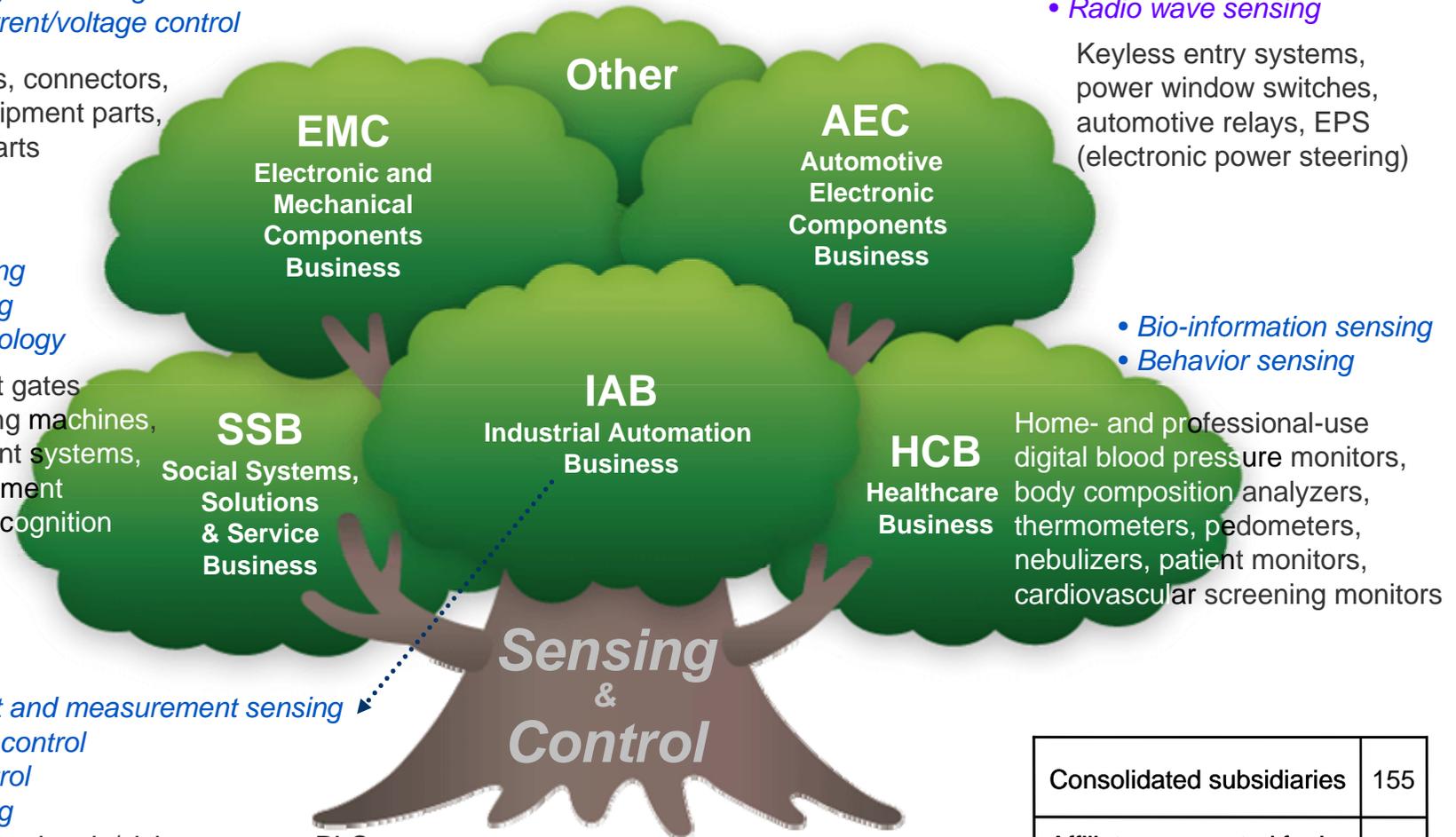
- *Bio-information sensing*
- *Behavior sensing*

Automated ticket gates  
and ticket vending machines,  
road management systems,  
security management  
systems, face recognition  
systems

Home- and professional-use  
digital blood pressure monitors,  
body composition analyzers,  
thermometers, pedometers,  
nebulizers, patient monitors,  
cardiovascular screening monitors

- *Displacement and measurement sensing*
- *Temperature control*
- *Machine control*
- *Vision sensing*

Proximity/photoelectric/vision sensors, PLCs,  
temperature controllers, machine safeguarding  
equipment, inspection systems



Consolidated subsidiaries	155
Affiliates accounted for by the equity method	13

(as of September 30, 2011)



#### **Notes**

1. The consolidated statements of Omron Corporation (the Company) are prepared in accordance with U.S. GAAP.
2. Projected results and future developments are based on information available to the Company at the current time, as well as certain assumptions judged by the Company to be reasonable. Various factors could cause actual results to differ materially from these projections. Major factors influencing Omron's actual results include, but are not limited to, (i) economic conditions affecting the Company's businesses in Japan and overseas, (ii) demand trends for the Company's products and services, (iii) the ability of the Company to develop new technologies and products, (iv) major changes in the fundraising environment, (v) tie-ups or cooperative relationships with other companies, (vi) movements in currency exchange rates and stock markets, and (vii) accidents and natural disasters.

#### **Contact:**

**Investor Relations Department  
Investor Relations Headquarters  
Omron Corporation**

**Phone : +81-3-6718-3421**

**Email : [omron\\_ir@omron.co.jp](mailto:omron_ir@omron.co.jp)**

**Website (English) : [www.omron.com](http://www.omron.com)**

**\*To subscribe to Omron IR news email:  
Send us an email titled "subscribe".**